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U. S. DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
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STATEMENT OF JOHN A VOLPE, SECRETARY OF TRANSPORTATION,  
BEFORE SUBCOMMITTEE NO. 2 OF THE HOUSE ARMED SERVICES  
COMMITTEE IN CONNECTION WITH THE COAST GUARD SELECTED  
RESERVE WEDNESDAY, APRIL 7, 1971.

Mr. Chairman and Members of the Committee:

I am pleased to have the opportunity to appear before you today to discuss several matters of concern, which have been expressed by the Committee in connection with the Selected Reserve of the Coast Guard.

First of all, I will discuss the basis for the Coast Guard's inability to attain an average Selected Reserve strength of 15,000 for fiscal year 1971, as authorized in P. L. 91-441, which was enacted on October 7, 1970. Secondly, I will review our reasons for determining to phase out the Selected Reserve of the Coast Guard by June 30, 1972.

You will recall, Mr. Chairman, that, despite the average annual strength of 17,500 authorized for the Coast Guard Selected Reserve in fiscal year 1970, our appropriation for that year -- passed in late December 1969 -- set a year-end manpower ceiling of only 15,000. Consequently, from January through June 1970 the Coast Guard was

effectively prohibited from recruiting for its Selected Reserve by the requirement in our Appropriation Act that the strength of the Selected Reserve be reduced to 15,000 men by June 30. Accordingly, no recruiting for this program was carried on during this period.

Other developments in Congress during this time confirmed this requirement that recruiting for the Selected Reserve be suspended. In May 1970, at a time when this Committee had recommended a reduced authorized average strength of 16,590 for fiscal year 1971, the House Appropriations Committee recommended that the strength be reduced to 10,000 by October 1, 1970, a reduction of 5,000 in less than five months. The full House shortly thereafter restored funds sufficient to achieve a year-end strength of 15,000 for fiscal year 1971, but the Senate did not act on this Amendment until December 1970.

It is clear, therefore, that we had no alternative during the latter half of fiscal year 1970 but to suspend recruiting for the Coast Guard Selected Reserve. In addition, the President's budget for fiscal year 1971 proposed a phase out of the Selected Reserve by the end of fiscal year 1971.

As you also know, Mr. Chairman, we began fiscal year 1971 with neither an appropriation nor an authorized strength for the Coast Guard Selected Reserve. Rather, we were operating on the basis of

a continuing resolution permitting us to carry on all of our operations at the then current rate. Because the Selected Reserve had not been recruiting at all in the latter half of fiscal year 1970 as a result of the year-end manpower ceiling set by Congress, the continuing resolution did not provide funds, in our view, to reinstitute the Selected Reserve recruitment effort at that time. Moreover, in July 1970, the Senate Armed Services Committee reported out a bill authorizing the Coast Guard Selected Reserve at an average annual strength of only 10,000. This level was raised on the Senate floor to 15,000 a month later, but final action was not taken on the authorization until October. Thus, there was no clear basis even for maintaining the level established as of the end of fiscal year 1970.

As I stated previously, on October 7, 1970, Congress enacted P. L. 91-441, which authorized an average strength for the Coast Guard Selected Reserve of not less than 15,000 for fiscal year 1971. The actual effect of this authorization was not entirely clear at the time of its enactment. We knew, of course, that despite an authorized level of not less than 17,500 for fiscal year 1970, Congress had subsequently set a firm year-end manpower ceiling of 15,000 in its appropriation for that year. We also knew, as I indicated before, that at the same time that this Committee was recommending an annual average strength of 16,590 for the Selected Reserve, the House Appropriations Committee had recommended a reduction in actual strength to 10,000 by October 1,

1970. Thus, even though P. L. 91-441 authorized an average strength of 15,000, we felt that it was necessary and prudent that we take other factors into account in determining whether to begin recruiting for the Selected Reserve at that time.

One of these factors was the President's proposed Federal Economy Act of 1970 which was intended to implement his 1971 budget decisions. That Act would have reduced the average strength of the Coast Guard Selected Reserve to 10,000 in fiscal year 1971, while at the same time providing protection for individual reservists affected by the reduction. Again, since no recruiting was going on at the end of fiscal 1970 as a result of our appropriations limitation, there was also a serious question as to whether any recruiting was authorized under a continuing resolution which by its terms restricted all of our activities to their "current rate" as of the end of fiscal 1970. Finally, we were already at work on our budget for fiscal 1972, which as you know calls for a phase out of the Coast Guard Selected Reserve by June 30, 1972.

On January 2, 1971, temporary appropriations for Coast Guard Selected Reserve training were agreed to by the House and Senate at a level supporting a year-end actual strength of 15,000 men. Nevertheless, I felt it inadvisable to permit renewed recruiting into the

Coast Guard Selected Reserve before funds had been finally appropriated and apportioned for this purpose.

First, it was our judgment from the action taken on our appropriation that Congress did not regard the annual average strength authorized as a mandatory "floor".

Secondly, because the President's budget for fiscal year 1972 called for a phase out of the Coast Guard Selected Reserve, we did not wish to start a build-up prematurely.

While the amount provided in the continuing resolution agreed to by both Houses was intended to restore actual Selected Reserve strength to 15,000 by the end of this fiscal year, it was reasonably clear that Congress did not expect the Coast Guard to be able to achieve the annual average strength authorized in P. L. 91-441 under existing circumstances. We did not have agreement of both Houses on an appropriation level for Selected Reserve training until it was impossible, with the training facilities available, to bring manpower strength back up to a level sufficient to achieve a 15,000 average. Moreover, the Senate report on our appropriations bill states that the agreed level of funding -- \$25.9 million -- was designed to "permit a year-end strength of 15,000."

These were the considerations which led to our initial determination to defer for a while longer the resumption of Selected Reserve recruiting efforts.

Since that time, of course, the Committee has apprised us of its view that the average strength level set forth in P. L. 91-441 is to be treated as a mandatory one -- subject, I assume, to a level of appropriations sufficient to support the authorization. As I indicated to the Chairman in my letter of March 30, 1971, we are now recruiting in the Selected Reserve in a manner designed to comply as fully as possible with the Committee's wishes.

Turning to the Administration's reasons for proposing to phase out the Coast Guard's Selected Reserve, let me begin by assuring this Committee that the Administration carefully evaluated the proposal to assure that we could still maintain its necessary missions and functions through the Navy Reserve. Under the current organizational framework of the Department of Defense, the Navy is the primary beneficiary of the Coast Guard Selected Reserve -- since the Selected Reserve would be called upon only during mobilization or emergency in the time of war, at which time the entire Coast Guard becomes a part of the Navy. As a matter of fact, however, since its inception in 1950, the Selected Reserve has not been called upon at any time for any war or emergency which our Nation has faced.

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Furthermore, I am informed that conditions of general mobilization for conventional warfare or large-scale sabotage in and around our home ports are highly unlikely. In the event these unlikely conditions occur, however, Coast Guard Ready Reserve forces (other than the Selected Reserve), Navy Reserve, and active Coast Guard and Navy forces could all be utilized in such an emergency.

We are aware of the importance of maintaining port security in the time of a national emergency; but, in a time of war, this mission would come under the Navy's command. To the extent this mission continues necessary, in the judgment of the Department of Defense, to an extent that requires forces beyond those available to be utilized in such an emergency it seems appropriate that the needed manpower be provided within the Navy Reserve appropriation.

I also wish to assure the Committee that the Department of Defense has indicated that they will provide for the functions now assigned to the Selected Reserve when they are removed from the Coast Guard. In addition, the Administration will be submitting legislation to assure that any member of the Coast Guard Selected Reserve who so wishes will have the opportunity to join the Navy Reserves or to perform active duty in the Coast Guard without loss of any rights or benefits. I am



certain that the Secretary of Defense and I can work out the necessary administrative arrangements under this kind of legislation.

This concludes my prepared statement, Mr. Chairman. I will be happy to answer any questions you and the Committee might have.